



CORPORATION SERVICE COMPANY

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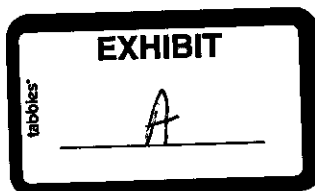
Primary Contact: Pamela Hoff
The Travelers Companies, Inc.
385 Washington Street, MC 515A
Saint Paul, MN 55102

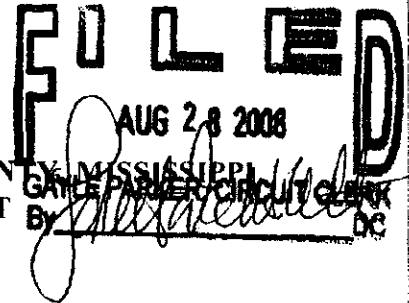
Copy of transmittal only provided to: SOP Coordinator

Entity:	United States Fidelity and Guaranty Company Entity ID Number 1656855
Entity Served:	United States Fidelity and Guaranty Company
Title of Action:	Rushing & Guice Properties LLC vs. United States Fidelity and Guaranty Company
Document(s) Type:	Summons/Complaint
Nature of Action:	Contract
Court:	Circuit Court of Harrison County, Second Judicial District, Mississippi
Case Number:	A2402-08-226
Jurisdiction Served:	Mississippi
Date Served on CSC:	09/05/2008
Answer or Appearance Due:	30 Days
Originally Served On:	CSC
How Served:	Personal Service
Plaintiff's Attorney:	R. Scott Wells 228-374-2313

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IN THE CIRCUIT COURT OF HARRISON COUNTY, MISSISSIPPI
SECOND JUDICIAL DISTRICT

RUSHING & GUICE PROPERTIES, L.L.C. AND
RUSHING & GUICE, P.L.L.C.

PLAINTIFFS

v.

Cause No.:

A2408-08-226

UNITED STATES FIDELITY AND GUARANTY
COMPANY, THE TRAVELERS COMPANIES
INC. AND ST. PAUL FIRE AND MARINE

DEFENDANTS

COMPLAINT

(Jury Trial Demanded)

COMES NOW Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C., by and through their attorneys, Rushing & Guice, P.L.L.C., and brings this Complaint against United States Fidelity and Guaranty Company, The Travelers Companies, Inc. and St. Paul Fire and Marine and in support of their good cause of action would state unto the Court and give notice of the following, to-wit:

PARTIES

1. Plaintiff, Rushing & Guice Properties, L.L.C., is a Mississippi Limited Liability Company organized and existing pursuant to the laws of the State of Mississippi having its principal place of business at 604 Porter Avenue, Ocean Springs, Mississippi 39564. Plaintiff, Rushing & Guice, P.L.L.C., is a Mississippi Professional Limited Liability Company organized and existing pursuant to the laws of the State of Mississippi having its principal place of business at 604 Porter Avenue, Ocean Springs, Mississippi 39564.

2. The Defendant, United States Fidelity and Guaranty Company, is an insurance corporation organized and existing pursuant to the laws of the State of Maryland, having its principal place of business at 111 Schilling Road, Hunt Valley, Maryland 21031.

3. The Defendant, The Travelers Companies, Inc. is an insurance company that may be served at its place of business at 385 Washington Street, St. Paul, Minnesota.

4. The Defendant, St. Paul Fire and Marine is an insurance company that may be served at its place of business at 385 Washington Street, St. Paul, Minnesota.

JURISDICTION AND VENUE

5. This is a suit for a declaratory judgment pursuant to Rule 57 of the Mississippi Rules of Civil Procedure and for money damages pursuant to a claim at law. The Circuit Court has original jurisdiction as the principal of the amount in controversy exceeds Two Hundred Dollars (\$200.00), and the Circuit Court has jurisdiction of all other actions and causes, matters, and things arising under the constitution and laws of this state which are not exclusively cognizable in some other court under Miss. Code Ann. § 9-7-81. Venue is in Harrison County, Mississippi, as this is the county wherein the cause of action accrued.

STATEMENT OF FACTS

6. United States Fidelity and Guaranty Company, The Travelers Companies, Inc. and St. Paul Fire and Marine are providers of insurance to institutional customers. Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. obtained a policy, bearing policy number BK02081471, from United States Fidelity and Guaranty Company, The Travelers Companies, Inc. and St. Paul Fire and Marine to insure its business located at 683 Water Street, Biloxi, Harrison County, Mississippi. Said policy is in the possession of the Defendants and is incorporated herein.

7. United States Fidelity and Guaranty Company, The Travelers Companies, Inc. and St. Paul Fire and Marine are providers of insurance to small business customers such as Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C.

8. On August 29, 2005, Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C.'s insured business at 683 Water Street, Biloxi, Harrison County, Mississippi, was severely damaged during Hurricane Katrina as a direct loss resulting from windstorm damage. Hurricane Katrina made landfall on the Mississippi Gulf Coast, damaging or destroying substantially all of the homes and businesses along the Mississippi Gulf Coast.

9. Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. filed a Claim and Notice of Loss with The Travelers Companies, Inc. and such claim has been identified as V2E9989. The Defendants have paid for certain repairs to the roof of the business but have failed and/or refused to make payment for any other damages sustained by Plaintiffs. A fair interpretation of the policy would allow that the damage to the insured structure should be afforded coverage, as well as other business losses and expenses that were incurred as a result of damages caused by Hurricane Katrina. As Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C.'s business location was a direct loss from the windstorm, the failure of the defendants to pay these claims is in bad faith.

10. The Defendants' failure to pay will deprive Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. of the insurance protection they purchased and upon which they relied, and further their claim has not been accurately handled, physical and documentary information has been ignored, and the Defendants have not acted in good faith with the disposition of the claim in question. The Defendants have failed to act responsibly to their policy holders and are compounding the tragedy of Hurricane Katrina.

11. At all times mentioned herein, Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. suffered losses which were covered by the policy of insurance which is the subject of this lawsuit and the Defendants have wrongfully failed and/or refused to pay those covered losses

as covered in the contract of insurance and thus have intentionally breached said contract of insurance.

12. At all times mentioned herein, the Defendants have intentionally attempted to avoid paying for the damages suffered by the Plaintiffs and the Defendants have acted in bad faith.

COUNT I

Declaration of Insurance Coverage

13. Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. are entitled to a declaratory judgment setting out that the exclusion provisions of their policies issued by the Defendants which attempt to exclude from coverage loss or damage caused directly or indirectly by water, to be void and unenforceable as against public policy, and unconscionable and further setting out that the efficient proximate cause of the damage to their property was wind and tornadic activity and as such the losses are covered by the Defendants' policies.

COUNT II

Intentional Act

14. Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. incorporate by reference the allegations set forth in paragraphs 1 through 13 above.

15. At all times mentioned herein, the Defendants intentionally and wrongfully failed to pay Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C.'s claims and did so in a manner which was designed to benefit the Defendants without consideration of the Plaintiffs.

16. As a result of said intentional acts, Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. have been damaged in the amount set forth in the "Damages" paragraph below, including, but not limited to, the amount set forth in the "Punitive Damages" paragraph set forth below.

COUNT III

Gross Negligence

17. Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. incorporate by reference the allegations contained in paragraphs 1 through 16 above.

18. At all times mentioned herein, the Defendants acted with gross negligence in total disregard of the duty owed to Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. to the degree that said gross negligence constitutes an intentional act at all times mentioned herein.

19. As a result of the gross negligence of the Defendants, Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. have been damaged in the amount set forth in the "Damages" paragraph below, including, but not limited to, the amount set forth in the "Punitive Damages" paragraph set forth below.

COUNT IV

Equitable Estoppel

20. Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. incorporate by reference the allegations contained in paragraphs 1 through 19 above.

21. The Defendants have provided insurance coverage to residents of the Mississippi Gulf Coast for inflated premium rates and with specific "Hurricane" deductibles which purported to cover the type of damage caused to Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C.'s business. As the Defendants have denied coverage for this damage, the Defendants should be equitably estopped from attempting to enforce the flood exclusion provisions. Failure to estop the Defendants will cause further damage to Rushing & Guice Properties, L.L.C. and Rushing

& Guice, P.L.L.C. and other Mississippi residents because the Defendants will continue to deny and fail to pay for coverage which they are contractually obligated to provide.

22. As a result of the actions of the Defendants, Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. have been damaged in the amount set forth in the "Damages" paragraph below, including, but not limited to, the amount set forth in the "Punitive Damages" paragraph set forth below.

COUNT V

Specific Performance of Insurance Contract

23. Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. incorporate by reference the allegations contained in paragraphs 1 through 22 above.

24. Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. demand specific performance of the Insurance Contract entered into with the Defendants.

25. As a result of the failure of the Defendants to perform under said Contract, Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. have been damaged in the amount set forth in the "Damages" paragraph below, including, but not limited to, the amount set forth in the "Punitive Damages" paragraph set forth below.

COUNT VI

Violation of Public Policy

26. Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. incorporate by reference the allegations contained in paragraphs 1 through 25 above.

27. The flood exclusions added to insurance policies by the Defendants are in violation of the public policy of Mississippi. The objectively reasonable expectations of the insureds and intended beneficiaries regarding the terms of insurance contracts should be honored even though

painstaking study of the policy provisions could have negated those expectations. As the terms of Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C.'s policies regarding the flood exclusion is ambiguous and as the Defendants chose to insure against the direct and proximate result of the damage to Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C.'s insured structure and business caused by Hurricane Katrina, the Defendants should not now be allowed to rely on the concurrence of an excluded cause to deny coverage and Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C.'s reasonable expectations of coverage due to loss as a result of Hurricane Katrina should be honored.

28. As a result of the actions of the Defendants, Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. have been damaged in the amount set forth in the "Damages" paragraph below, including, but not limited to, the amount set forth in the "Punitive Damages" paragraph set forth below.

COUNT VII

Unconscionability

29. Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. incorporate by reference the allegations contained in paragraphs 1 through 28 above.

30. The actions of the Defendants in failing and/or refusing to appropriately adjust and pay the claims of Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. are unconscionable.

31. As a result of the actions of the Defendants, Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. have been damaged in the amount set forth in the "Damages" paragraph below, including, but not limited to, the amount set forth in the "Punitive Damages" paragraph set forth below.

COUNT VIII

Ambiguous

32. Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. incorporate by reference the allegations contained in paragraphs 1 through 31 above.

33. The flood exclusions relied on by the Defendants in failing and/or refusing to pay Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C.'s claim are ambiguous on their face when read in logical conjunction with the other provisions of the subject policy. As ambiguities in insurance contracts are construed in favor of the insureds and against the Defendants, the flood exclusions in the subject policy should be construed strongly against the Defendants.

34. As a result of the actions of the Defendants, Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. have been damaged in the amount set forth in the "Damages" paragraph below, including, but not limited to, the amount set forth in the "Punitive Damages" paragraph set forth below.

COUNT IX

Breach of Contract

35. Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. incorporate by reference the allegations contained in paragraphs 1 through 34 above.

36. The Defendants have failed to comply with the terms of the subject policies and further the Defendants should pay an amount to be determined at trial and which Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. set out in their claim.

37. As a result of the actions of the Defendants, Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. have been damaged in the amount set forth in the "Damages"

paragraph below, including, but not limited to, the amount set forth in the "Punitive Damages" paragraph set forth below.

COUNT X

Breach of the Implied Covenant of Good Faith and Fair Dealing

38. Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. incorporate by reference the allegations contained in paragraphs 1 through 37 above.

39. Implied in every contract in Mississippi is the covenant of good faith and fair dealing. The Defendants have breached the covenant of good faith and fair dealing which they owe to Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. As a result, Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. have been damaged herein.

40. The Defendants have breached the covenant of good faith and fair dealing owed to Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. by acting intentionally and with malice, and as a result Defendants owe Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. punitive damages as set forth herein. As a result of the Defendants' breach of the covenant of good faith and fair dealing, Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. have been damaged in the amount set forth in the "Damages" paragraph below, including, but not limited to, the amount set forth in the "Punitive Damages" paragraph set forth below.

COUNT XI

Negligence

41. Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. incorporate by reference the allegations contained in paragraphs 1 through 40 above.

42. If the Defendants did not intentionally mislead Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. in the purchase of their insurance policies, then they acted

negligently by failing to pay policy limits on their claim. As a result of said negligence, Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. have been damaged in the amount set forth in the damage paragraph set forth below.

43. As a result of the actions of the Defendants, Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. have been damaged in the amount set forth in the "Damages" paragraph below, including, but not limited to, the amount set forth in the "Punitive Damages" paragraph set forth below.

COUNT XII

Fraudulent Misrepresentation

44. Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. incorporate by reference the allegations contained in paragraphs 1 through 43 above.

45. At all times mentioned herein, the Defendants set upon a course of action to defraud Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. The Defendants knowingly made false and material representations with the intent that they would be relied upon by Plaintiffs. Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. did not know of the representations' falsity, rightfully relied on their truthfulness, and, as a consequence, were injured. A preliminary representation was made to Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. that elevated insurance premiums it and other Mississippi Gulf Coast residents and businesses paid would cover losses due to hurricane damage. Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. were intentionally misled by the Defendants in order to obtain Plaintiffs' business.

46. As a result of the actions of the Defendants, Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C., have been damaged in the amount set forth in the "Damages"

paragraph below, including, but not limited to, the amount set forth in the "Punitive Damages" paragraph set forth below.

COUNT XIII

Intentional Misrepresentation

47. Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. incorporate by reference the allegations contained in paragraphs 1 through 46 above.

48. At all times mentioned herein, the Defendants set upon a course of action to misrepresent elements of the transaction with Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. The Defendants knowingly made false and material representations with the intent that they would be relied upon by Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. did not know of the representations' falsity, rightfully relied on their truthfulness, and as a consequence were injured. A preliminary representation was made to Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. that elevated insurance premiums they and other Mississippi Gulf Coast residents and businesses paid would cover losses due to hurricane damage. Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. were intentionally misled by the Defendants in order to obtain their business.

49. As a result of the misrepresentations of the Defendants, Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. have been damaged in the amount set forth in the "Damages" paragraph below, including, but not limited to, the amount set forth in the "Punitive Damages" paragraph set forth below.

COUNT XIV

Negligent Misrepresentation

50. Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. incorporate by reference the allegations contained in paragraphs 1 through 49 above.

51. At all times mentioned herein, the Defendants set upon a course of action to misrepresent elements of the transaction with Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. Defendants negligently made false and material representations with the intent that they would be acted upon by Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. did not know of the representations' falsity, rightfully relied on its truthfulness, and as a consequence were injured. A preliminary representation was made to Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. that elevated insurance premiums it and other Mississippi Gulf Coast residents and businesses paid would cover losses due to hurricane damage. Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. were intentionally misled by the Defendants in order to obtain their business.

52. As a result of the actions of the Defendants, Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. have been damaged in the amount set forth in the "Damages" paragraph below, including, but not limited to, the amount set forth in the "Punitive Damages" paragraph set forth below.

COUNT XV

Contractual Fraud/Fraud in the Inducement

53. Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. incorporate by reference the allegations contained in paragraphs 1 through 52 above.

54. At all times mentioned herein, the Defendants set upon a course of action to misrepresent elements of the transaction with Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. The Defendants fraudulently induced Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. to enter into a contract with the Defendants by knowingly making false and material representations with the intent that they would be acted upon by Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. did not know of the representations' falsity, rightfully relied on its truthfulness, and as a consequence were injured. A preliminary representation was made to Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. that elevated insurance premiums it and other Mississippi Gulf Coast residents and businesses paid would cover losses due to hurricane damage. Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. were intentionally misled by the Defendants in order to obtain its business.

55. As a result of the actions of the Defendants, Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. have been damaged in the amount set forth in the "Damages" paragraph below, including, but not limited to, the amount set forth in the "Punitive Damages" paragraph set forth below.

COUNT XVI

Alter-ego

56. Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. incorporate by reference the allegations contained in paragraphs 1 through 55 above.

57. At all times mentioned herein, The Travelers Companies, Inc. and St. Paul Fire and Marine are the alter-ego of United States Fidelity and Guaranty Company. United States Fidelity and Guaranty Company is liable for the actions of The Travelers Companies, Inc. and St. Paul Fire

and Marine and is liable for the damages caused by The Travelers Companies, Inc. and St. Paul Fire and Marine, their agents, and employees acting in the course and scope of their employment. United States Fidelity and Guaranty Company is liable to Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. for the damages caused by its alter-ego, including actual and punitive damages set forth in the "Damages" paragraphs below.

58. As a result of the actions of the Defendants, Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. have been damaged in the amount set forth in the "Damages" paragraph below, including, but not limited to, the amount set forth in the "Punitive Damages" paragraph set forth below.

COUNT XVII

Detrimental Reliance

59. Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. incorporate by reference the allegations contained in paragraphs 1 through 58 above.

60. Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. state that the Defendants have caused Plaintiffs to rely to their detriment on the promises and representations of the Defendants.

61. Plaintiffs have suffered damages due to their detrimental reliance on the Defendants' promises and misrepresentations.

62. As a result of the actions of the Defendants, Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. have been damaged in the amount set forth in the "Damages" paragraph below, including, but not limited to, the amount set forth in the "Punitive Damages" paragraph set forth below.

COUNT XVIII

Civil Conspiracy

63. Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. incorporate by reference the allegations contained in paragraphs 1 through 62 above.

64. Defendants and certain of their adjusters have conspired to deny and fail to pay coverage due to losses resulting from Hurricane Katrina and to manipulate the claims of Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. such that coverage has been denied or claim amounts have not been paid.

65. As a result of the civil conspiracy committed by the Defendants, Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. have been damaged in the amount set forth in the "Damages" paragraph below, including, but not limited to, the amount set forth in the "Punitive Damages" paragraph set forth below.

Damages

66. Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. incorporate by reference the allegations contained in paragraphs 1 through 65 above.

67. At all times mentioned herein, the damages suffered by Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. were caused by the Defendants. Therefore, taking into consideration damages of every nature and kind which Plaintiffs may recover against the Defendants, and such other damages that may be proven at a trial hereof, Plaintiffs have been damaged in an amount to be proven at trial, but should recover the full policy amounts under their policies.

Punitive Damages

68. Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. incorporate by reference the allegations contained in paragraphs 1 through 67 above.

69. At all times mentioned herein, the Defendants acted with actual malice, gross negligence which evidences a willful, wanton, or reckless disregard for others, or committed actual fraud, and such actions were so oppressive and overbearing that in order to punish the wrongdoer and deter similar misconduct in the future, the Defendants should be subject to punitive damages consistent with the statutory scheme in the State of Mississippi. Specifically, after considering the Defendants' financial condition and net worth, the nature and reprehensibility of the Defendants' wrongdoing, the Defendants' awareness of the amount of harm being caused, and the Defendants' motivation in causing such harm, the duration of the Defendants' misconduct and attempts to conceal such misconduct, and Miss. Code Ann. § 11-1-65, the Defendants should be subject to punitive damages in an amount to be proven at trial and decided by the jury, but not less than Thirty Million Dollars (\$30,000,000.00).

Attorney's Fees

70. Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. incorporate by reference the allegations contained in paragraphs 1 through 69 above.

71. The Defendants are liable for all reasonable attorney's fees incurred or time expended by Plaintiffs in pursuit of this cause.

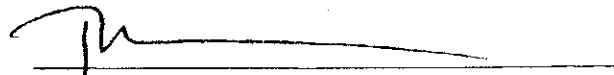
PRAYER

WHEREFORE, PREMISES CONSIDERED, Rushing & Guice Properties, L.L.C. and Rushing & Guice, P.L.L.C. pray for a judgment against the Defendants, for the following:

1. A declaratory judgment setting out that the exclusion provisions of the policy is void and unenforceable and that losses sustained by the Plaintiffs are covered by the Defendants' policies;
2. A judgment ordering specific performance of the contract of insurance and directing the Defendants to pay the claims of the Plaintiffs;
3. A judgment for the damages suffered by Plaintiffs in an amount to be proven at trial, but not less than the policy limits of all policies;
4. A judgment for punitive damages in the amount of Thirty Million Dollars (\$30,000,000.00);
5. A judgment for Plaintiffs' reasonable attorney's fees or time incurred;
6. The judgment should bear interest at the legal rate from August 29, 2005, until paid;
7. That Plaintiffs be awarded all costs of this cause; and
8. That Plaintiffs be granted such other relief as this Court may grant in the premises.

DATED this 28th day of August 2008.

Respectfully submitted,



R. SCOTT WELLS
Mississippi Bar No. 9456
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**IN THE CIRCUIT COURT OF HARRISON COUNTY, MISSISSIPPI
SECOND JUDICIAL DISTRICT**

**RUSHING & GUICE PROPERTIES, L.L.C. and
RUSHING & GUICE, P.L.L.C.**

PLAINTIFFS

VERSUS

CIVIL ACTION NO. 2402-08-226

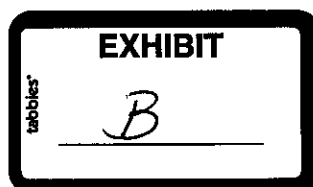
**UNITED STATES FIDELITY AND
GUARANTY COMPANY, THE TRAVELERS
COMPANIES, INC. and ST. PAUL FIRE
AND MARINE**

DEFENDANTS

**NOTICE TO THE CIRCUIT COURT OF HARRISON COUNTY, MISSISSIPPI
OF THE REMOVAL OF THIS ACTION TO THE UNITED STATES DISTRICT
COURT FOR THE SOUTHERN DISTRICT OF MISSISSIPPI, SOUTHERN DIVISION**

NOTICE is hereby given, pursuant to 28 U.S.C. § 1446, that Defendants United States Fidelity and Guaranty Company, The Travelers Companies, Inc. and St. Paul Fire and Marine Insurance Company removed this action from this Court to the United States District Court for the Southern District of Mississippi, Southern Division. The removal is pursuant to 28 U.S.C. § 1332 and 28 U.S.C. § 1446.

A copy of the Notice of Removal filed in the United States District Court for the Southern District of Mississippi, Southern Division, is attached hereto and is incorporated herein by reference. The removal of this cause to the United States District Court aforesaid has now been effected in



accordance with 28 U.S.C. § 1446, and pursuant to subsection (d) thereof, you shall proceed no further with this action unless and until it is remanded.

RESPECTFULLY SUBMITTED this the 3rd day of October, 2008.

UNITED STATES FIDELITY AND GUARANTY COMPANY,
THE TRAVELERS COMPANIES, INC. AND
ST. PAUL FIRE AND MARINE INSURANCE COMPANY

BY:



CHARLES G. COPELAND (MSB No. 6516)

ITS ATTORNEYS

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CERTIFICATE OF SERVICE

I, Charles G. Copeland, do hereby certify that I have this day caused to be delivered, via facsimile and United States mail, first-class postage prepaid, a true and correct copy of the above and foregoing document to the following counsel of record

Attorney for the Plaintiff:

R. Scott Wells
Rushing and Guice, P.L.L.C.
P.O. Box 1925
Biloxi, MS 39533-1925

This the 3rd day of October, 2008.



CHARLES G. COPELAND